



City Clerk

CITY OF SAN JOSÉ, CALIFORNIA

Office of the City Clerk
200 East Santa Clara Street
San José, California 95113
Telephone (408) 535-1260
FAX (408) 292-6207

STATE OF CALIFORNIA
COUNTY OF SANTA CLARA
CITY OF SAN JOSÉ

I, Toni J. Taber, City Clerk & Ex-Officio Clerk of the Council of and for the City of San José, in said County of Santa Clara, and State of California, do hereby certify that **Ordinance No. 29575**, the original copy of which is attached hereto, was passed for publication of title on the **19th day of May 2015**, was published in accordance with the provisions of the Charter of the City of San José, and was given final reading and adopted on the **June 02, 2015**, by the following vote:

AYES: CARRASCO, HERRERA, JONES, KALRA, KHAMIS, MATTHEWS,
NGUYEN, OLIVERIO, PERALEZ, ROCHA; LICCARDO.

NOES: NONE.

ABSENT: NONE.

ABSTAINED: NONE.

Said ordinance is effective as of **July 3, 2015**.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the City of San José, this **5th day of June 2015**.

(SEAL)

TONI J. TABER, CMC
CITY CLERK & EX-OFFICIO
CLERK OF THE CITY COUNCIL

ORDINANCE NO. 29575

AN ORDINANCE OF THE CITY OF SAN JOSE AMENDING CHAPTER 6.88 OF TITLE 6 OF THE SAN JOSE MUNICIPAL CODE AS FOLLOWS: TO AMEND SECTION 6.88.300 TO EXTEND THE DEADLINE FOR MEDICAL MARIJUANA COLLECTIVES WHO MEET CERTAIN CRITERIA TO OBTAIN A NOTICE OF COMPLETED REGISTRATION; TO AMEND SECTION 6.88.315 TO ALLOW THE CITY MANAGER REGULATIONS TO BECOME EFFECTIVE UPON PUBLICATION ON THE CITY'S WEBSITE; TO AMEND SECTION 6.88.360 TO CLARIFY WHEN COLLECTIVES ARE REQUIRED TO SUBMIT A NEW OR AMENDED APPLICATION FOR REGISTRATION; TO AMEND SECTION 6.88.420 TO AUTHORIZE ADDITIONAL SECURITY MECHANISMS TO PREVENT UNAUTHORIZED ENTRY; TO AMEND SECTION 6.88.500 TO AUTHORIZE COLLECTIVES TO MAINTAIN RECORDS REQUIRED UNDER CHAPTER 6.88 OF TITLE 6 IN ELECTRONIC FORMAT; TO AMEND SECTION 6.88.600 TO INCREASE THE TIME FOR A COLLECTIVE TO FILE AN AUDIT OF ITS FINANCIAL OPERATIONS WITH THE CITY; AND TO MAKE OTHER TECHNICAL, NONSUBSTANTIVE, OR TYPOGRAPHICAL CHANGES TO CHAPTER 6.88 OF TITLE 6 OF THE SAN JOSE MUNICIPAL CODE

WHEREAS, pursuant to the provisions of Title 21 of the San José Municipal Code, the Director of Planning determined that the proposed Ordinance is consistent with and within the scope of the analysis in the previously adopted Negative Declaration (File No. PP11-039) and Addenda thereto (File Nos. PP11-076 and PP14-030) that were prepared to identify and analyze the environmental impacts of regulations related to medical marijuana collectives; and

WHEREAS, the City Council of the City of San José is the decision-making body for this Ordinance; and

WHEREAS, the City Council considered the Negative Declaration, Addendum File No. PP14-030 and the determination of consistency therewith prior to making a decision on the approval of this Ordinance;

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF SAN JOSE:

SECTION 1. Section 6.88.227 of Chapter 6.88 of Title 6 of the San José Municipal Code is amended to read as follows:

6.88.227 Manufacturing

“Manufacturing” means converting, producing, deriving, concentrating, making, cooking, baking, transforming, packaging, or preparing Medical Marijuana, including the production of Concentrated Cannabis, the production of edible Medical Marijuana products, and/or the production of Medical Marijuana infused products.

SECTION 2. Section 6.88.300 of Chapter 6.88 of Title 6 of the San José Municipal Code is amended to read as follows:

6.88.300 Registration Required

- A. No Collective shall operate in the City of San José unless and until it has first filed a registration form in accordance with the provisions of this Chapter, has paid all fees required by this Chapter, and has received a Notice of Completed Registration from the City Manager.
- B. It shall be unlawful for a Person or Collective to maintain, manage, operate, conduct, control or own a Collective unless the Collective is maintained and

operated in strict compliance with a Notice of Completed Registration issued by the City Manager.

- C. To be eligible to register a Collective must be able to provide a Marijuana Business Tax Return evidencing payment of any applicable taxes due to the City pursuant to Chapter 4.66 of this Code and have no outstanding compliance orders under Chapter 1.14.
- D. Collectives shall have ninety (90) days from the effective date of this Chapter to apply for registration under this Chapter and to apply for a Zoning Code Verification Certificate under Part 13 of Chapter 20.100. Collectives shall obtain a Notice of Completed Registration from the City Manager and a Zoning Code Verification Certificate within one (1) year from the effective date of this Chapter.
- E. Notwithstanding Subsection D above, a Collective shall be granted an extension to December 18, 2015 of the time within which it shall receive a Notice of Completed Registration from the City Manager provided it meets the following requirements:
 - 1. Obtains a Zoning Code Verification Certificate under Part 13 of Chapter 20.100 of this Code and submits all applications for any site development permit and any building permit required for the Collective's Location and Premises within the City of San José to comply with this Code by July 17, 2015;
 - 2. Obtains all required site development permits and building permits necessary for the Collective's Location and Premises within the City of San José to comply with this Code by September 18, 2015;

3. Completes a preliminary inspection with the City Manager, Chief of Police, and any other City official charged with enforcing the provisions of this Code, of all of the Collective's Locations and Premises both within the City of San José and outside the City of San José by November 20, 2015; and
4. Complies with all other regulations promulgated by the City Manager pursuant to Section 6.88.315 pertaining to the registration process.

SECTION 3. Section 6.88.310 of Chapter 6.88 of Title 6 of the San José Municipal Code is amended to read as follows:

6.88.310 Locations

- A. No Collective shall dispense Medical Marijuana from more than one location in the City.
- B. A Collective may have one (1) Cultivation Site, upon which Medical Marijuana is cultivated, produced, harvested, stored, or processed. The Cultivation Site may be separate from the location at which Medical Marijuana is dispensed, or the Cultivation Site may be at the same location as the Collective's sole dispensing site. The Cultivation Site must comply with the provisions of this Chapter and of Title 20 of this Code.

SECTION 4. Section 6.88.315 of Chapter 6.88 of Title 6 of the San José Municipal Code is amended to read as follows:

6.88.315 Authority of the City Manager

- A. The City Manager is authorized to promulgate all regulations necessary to implement the requirements and fulfill the policies of this Code relating to

Medical Marijuana, including, but not limited to the following subjects:

1. Registration, review, investigation, priority order and disqualification process for the Collectives and forms necessary thereto.
 2. Internal or external security requirements for the operation of the Collectives.
 3. Storage or display of Medical Marijuana.
 4. Criteria necessary to promote the safe cultivation of Medical Marijuana.
- B. Regulations shall be published on the City's website.
- C. Regulations promulgated by the City Manager shall have the same force and effect of law and become effective upon date of publication.

SECTION 5. Section 6.88.330 of Chapter 6.88 of Title 6 of the San José Municipal Code is amended to read as follows:

6.88.330 Registration Process

A. Registration Review

1. Pursuant to Section 6.88.300, no Collective shall operate in the City of San José without a Notice of Completed Registration from the City Manager. A person desiring to obtain a Notice of Completed Registration shall file a registration form with the City Manager that shall contain the following accurate, complete and truthful information:

- a. The legal name, and any other names, under which the Collective will be operating;
- b. The physical address and physical description (e.g., one story commercial building, etc.) of the Premises;
- c. The onsite landline telephone number for the Collective;
- d. Proof that the Location and the Premises are in compliance with the requirements of Title 20 of the Code, including but not limited to Part 9.75 of Chapter 20.80 and Part 13 of Chapter 20.100;
- e. The name, telephone number, and address of the person authorized to accept service of process for the Collective;
- f. The following information concerning each Owner, Manager, or individual member who will be participating in the actual cultivation, Processing, manufacturing, transporting or dispensing of the Medical Marijuana:
 - (1) Complete legal name, and any alias(es);
 - (2) Date of birth;
 - (3) A copy of a valid government issued photo Identification Card or license;
 - (4) A copy of the member's Identification Card or a copy of the Physician's Recommendation for the member;

- (5) The name, address and telephone number of the Attending Physician who provided the member with a Physician's Recommendation (post office boxes are not deemed to satisfy this requirement);
- (6) If the member is a Primary Caregiver, a copy of the written documentation provided by each Qualified Patient member designating the member as their Primary Caregiver.
- (7) Telephone number(s) where the individual Owner or Manager can be reached twenty-four (24) hours a day;
- (8) A list of all criminal convictions, other than infraction traffic violations, the jurisdiction of the conviction(s) and, the circumstances thereof;
- (9) One set of fingerprints in a form acceptable to the Chief of Police; and
- (10) A detailed explanation of the member's involvement with any other Collective including, but not limited to: the name and address of the Collective; the capacity in which the member was involved with the Collective; whether the Collective is or was the subject of any criminal investigation or prosecution, civil investigation, administrative action or civil lawsuit; whether the member or the Collective with which the member is or was associated has ever been denied, or is in the process of being denied registration, a permit, a license or any other authorization required to operate a Collective in any other city, county or state; and whether the member or

the Collective with which the member is or was associated has ever had a registration, license, permit or any other authorization required to operate a Collective in any other city, county or state suspended or revoked, and the reasons therefore;

- g. A complete list of all the duties and functions of each managing member of the Collective;
- h. A copy of the lease or other such proof of the Collective's right to possess the Premises and/or Location;
- i. The Collective's operations plan, which shall be in conformance with the requirements of this Chapter and shall include:
 - (1) A management plan naming the Managers for the Collective and detailing each Manager's responsibilities;
 - (2) A list of all Managers responsible for receiving, logging, and responding to complaints regarding the Collective, as required by Subsection 6.88.440K;
 - (3) A security plan which identifies the Collective's Security Personnel and provides documentation of the proper certification of that personnel by the State, as required by Subsection 6.88.420J, and which details the security measures for the Location and Premises including those requirements set forth in this Chapter;

- (4) The rules and regulations of the Collective which shall comply with those requirements set forth in this Chapter;
- (5) The hours and days of operation for the Collective, including the hours and days of operation for any separate Cultivation Site;
- (6) The Medical Marijuana cultivation procedures to be utilized at the Location and the Premises including a detailed explanation of how chemicals and fertilizers will be stored and what measures will be taken to minimize or offset energy use from the cultivation or Processing of Medical Marijuana and what measures will be taken to comply with the requirements of this Chapter;
- (7) A site plan and floor plan which details the layout of the Location and the Premises and any adjacent areas, including parking lots, which are owned or controlled by the Collective;
- (8) An odor management plan detailing steps the Collective will take to install air purification systems and air scrubbers to ensure that the odor of Medical Marijuana will not emanate beyond the walls of the Collective's Premises; and
- (9) Designation of the sole dispensing Location and designation of the sole Cultivation Site of the Collective.

- j. Identifying information for all savings accounts, checking accounts, investment accounts and trusts associated with the operation of the Collective;
- k. Authorization for the City Manager to:
 - (1) Seek other information that the City Manager deems necessary for a complete review of the registration form; and
 - (2) Conduct an investigation into the truthfulness of the statements set forth in the registration form, including, but not limited to, a criminal history investigation by the Chief of Police with the California Department of Justice and any other law enforcement agencies;
- l. Written consent by each Owner and Manager member of the Collective to provide the City Manager with the information and authorization described in this Section and written consent by each member of the Collective for the inspection and copying of records as specified in Subsection 6.88.330B;
- m. A dated statement signed by an individual member authorized to represent and legally bind the Collective, certifying under penalty of perjury that the information provided in the registration form and any attachment thereto is true, complete and correct;
- n. Proof of payment of any applicable taxes due to the City pursuant to Chapters 4.66 and 4.76 of the Code; and

- o. Any other information reasonably required by the City Manager to show that the Collective is in compliance with the provisions of this Chapter.

B. Consent for Inspection of Records and Location

1. Required Consent for Inspection and Copying of Records

- a. As part of the registration process the Collective shall provide written consent for the inspection and copying by the Chief of Police, and any other City official charged with enforcing the provisions of this Code, of any recordings and records required to be maintained under this Chapter without requirement for a search warrant, subpoena or court order.
- b. The Collective shall be subject to the inspection and copying set forth in Subsection 6.88.330 B(1)(a) at any time and without notice during the Collective's hours of operation and at any other time upon reasonable notice.
- c. Nothing in this Chapter requires the disclosure of any Qualified Patient member's Private Medical Record.

2. Required Consent for Inspection of Location and Premises

- a. As part of the registration process, the Collective shall provide written consent for the inspection of the Location and the Premises by the Chief of Police, and any other City official charged with enforcing the provisions of this Code, without requirement for a search warrant or court order.

- b. The Collective Location and Premises shall each be subject to the inspection set forth in Subsection 6.88.330 B(2)(a) at any time and without notice during hours of operation and at any other time upon reasonable notice.

C. Signatories to Registration

Each and every Owner and Manager of the Collective shall print his or her name and sign the registration form under penalty of perjury certifying that all the information contained therein, and any attachments thereto, is true, complete and correct.

D. Investigation and Determination

1. Upon receiving a Collective's registration form, the City Manager shall proceed by the order established by Section 6.88.320 to investigate the information required in Subsection 6.88.330A through C and evaluate the compliance of the Collective with the requirements of this Chapter.
2. The City Manager shall also investigate the Location and the Premises for the purpose of assuring that each Collective complies with the requirements of this Chapter, including, but not limited to Part 4, and all public health, safety, welfare and zoning laws set forth in this Code and in State and local laws.
3. The Chief of Police shall also conduct a criminal background investigation on any Owner or Manager of the Collective and on any individual members who participate in the cultivation, processing, manufacturing, transporting or dispensing of Medical Marijuana.

E. Disqualification from Registration

1. Any Collective may be disqualified from the registration process for any of the following reasons:
 - a. The Collective or any person applying on behalf of a Collective knowingly made a false statement of fact or omitted a fact required to be revealed in the registration process, or any amendment or report or other information required to be made thereunder;
 - b. The Collective Location or Premises is in violation of any building, zoning, health, safety or other provision of this Code; or of any State or local law which substantially affects the public health, welfare or safety;
 - c. The Collective violates or has violated the terms and conditions of any requirement of this Code related to the operation of a Collective, other than solely because of its existence after the effective date of this Chapter;
 - d. The Collective, or any one of its Owners or Managers have owned or leased a Location or Premises that has been the subject of an administrative, civil or criminal nuisance abatement action and court judgment or administrative determination finding the Location or Premises to be a nuisance within the past five (5) years;
 - e. The Collective was disqualified from the registration process under this Chapter on one (1) or more of the grounds provided in this Section within five (5) years prior to the date of the current attempt to register;

- f. The Collective's registration under this Chapter has become null and void within the past five (5) years for any of the reasons set forth in Section 6.88.350;
- g. The Collective's registration, permit, license or any other authorization issued by the City or by any State or local agency and required to operate a Medical Marijuana Collective, cooperative, dispensary, or other such establishment, has been deemed null and void or has been suspended or revoked or otherwise nullified within the past five (5) years;
- h. The Collective has conducted itself in a manner that creates or results in a public nuisance, as defined in Section 1.13.050 of this Code or Sections 3479 and 3480 of the California Civil Code, on or within three hundred (300) feet of the Location;
- i. If the Collective is a corporation, the corporation is not in good standing or authorized to do business in the State;
- j. The Collective conducted, conducts or anticipates conducting a Collective on a Location or Premises and such operation is prohibited under the terms of the lease for the Location or Premises or under the terms of another such document which memorializes the Collective's right to possess the Location or Premises;
- k. The Collective has as an Owner or Manager or as individual members participating in the cultivation, Processing,

manufacturing, transporting or dispensing of Medical Marijuana, persons who:

- (1) Are on parole or probation for the possession, sale, manufacture, use, distribution or transportation of a controlled substance:
 - (2) Have been convicted of a crime of moral turpitude, or
 - (3) Have been convicted of any misdemeanor or felony within the last ten (10) years involving the following
 - (a) The use of violence, force, fear, fraud or deception;
 - (b) The unlawful possession, sale, manufacture, use, distribution or transportation of a controlled substance;
 - (c) The use of money to engage in criminal activity;
- I. The Collective's operation from the Location or Premises results or will result in an imminent threat to the public's health, safety or welfare.

F. **Completed Registration.** After verification that the required Application Submission Fee and the Application Processing Fee, as set forth in Section 6.88.380, have been timely and fully paid and that all necessary information has been provided and that the Collective is in compliance with all requirements of this Chapter, the City Manager shall notify the Collective that the Annual Operating Fee and any applicable Hourly Investigative Fee, as set forth in

Section 6.88.380, are now due and payable to the City. Within ten (10) business days of receiving the Collective's payment in full of the Annual Operating Fee and any applicable Hourly Investigative Fee, the City Manager shall mail a Notice of a Completed Registration, and any subsequent updated registration, to the person authorized to accept service of process on behalf of the Collective.

- G. **Notice of Disqualification.** If the Collective has not paid the fees or taxes required by this Code, has not provided all necessary information, is not in compliance with all the requirements of this Code, or has otherwise been disqualified from the registration process, the City Manager shall mail notice to the person authorized to accept service of process on behalf of the Collective advising the Collective that it has been disqualified from the registration process.

SECTION 6. Section 6.88.360 of Chapter 6.88 of Title 6 of the San José Municipal Code is amended to read as follows:

6.88.360 Change In Location And Updated Registration Forms

- A. Any time a Collective changes its dispensing or cultivation Location or Premises, it shall, immediately upon obtaining a Zoning Code Verification Certificate pursuant to Title 20 of this Code, or if the Location or Premises is outside of the City of San José, prior to beginning operations at the Location or Premises, apply to re-register with the City Manager. The process and the fees for re-registration shall be the same as the process and fees set forth for registration in Section 6.88.330. A Collective may not begin operations at the new Location or Premises until it receives a new Notice of Completed Registration for its new Location or Premises.
- B. Within fifteen (15) calendar days of any other change in the information provided in the registration form which is not covered by Subsection A above or

Subsection C below, or any change in status of compliance with the provisions of this Chapter, including any change in the Collective's ownership or management members, or a change in any member who participates in the actual cultivation, processing, manufacturing, transporting or dispensing of the Medical Marijuana, the Collective shall file an amended registration form with the City Manager for review along with a Registration Amendment Fee, as set forth in Section 6.88.380. Upon verification that all required fees have been paid, all necessary information has been provided, and that the Collective is in compliance with all requirements of this Chapter, the City Manager shall mail a new Notice of Completed Registration to the person authorized to accept service of process on behalf of the Collective.

- C. Within fifteen (15) calendar days of any change in the information provided in the registration form regarding persons authorized to represent the Collective and regarding the Collective's agent for service of process, the Collective shall file with the City Manager written notification of such change.
- D. Each and every individual Owner and Manager of the Collective shall print his or her name and sign any form required to be updated, under penalty of perjury, certifying that all information contained in the updated forms is true, complete and correct.

SECTION 7. Section 6.88.420 of Chapter 6.88 of Title 6 of the San José Municipal Code is amended to read as follows:

6.88.420 Security

- A. The Premises or Location shall be equipped with, and at all times be monitored by, a web-based closed-circuit television for security purposes. The camera and recording system must be of adequate quality, color rendition and resolution to

allow the ready identification of any individual committing a crime anywhere on or adjacent to the Premises or Location. The system shall be fully functional prior to Processing or cultivating of Medical Marijuana at the Premises or Location. The recordings of the monitoring shall be maintained for a period of not less than ninety (90) days and shall be made available and accessible to the Chief of Police and any other City official charged with enforcing the provisions of this Code immediately upon request for review and copying, without the need for a search warrant, subpoena or court order. The Collective shall also provide the Chief of Police with the URL address of any on-site web-based video surveillance to monitor remotely at any time without a warrant, subpoena or court order.

- B. The Premises or Location shall have a centrally-monitored fire and burglar alarm system. This system shall be fully functional at all times and prior to Processing or cultivating Medical Marijuana at the Premises or Location. At a minimum, this alarm shall cover the perimeter of the Premises or Location and shall focus on those areas where Medical Marijuana is grown, produced, harvested, stored, packaged or dispensed. This alarm shall be monitored by a professional alarm company at all times.
- C. If the Collective maintains records in a printed format pursuant to Section 6.88.500, then the Premises shall contain a fire-proof safe and all records required by this Chapter shall be stored in that safe.
- D. Exterior lighting on the Premises and parking area lighting for the Location shall be balanced and shall not result in glare on adjoining properties, shall complement the security systems required in Subsections A and B above to ensure that all areas of the Location are visible, and shall provide increased lighting at all entrances to the Premises. The lighting required in this subsection shall be turned on from dusk to dawn.

- E. Medical Marijuana shall be stored in buildings that are completely enclosed, and in a locked vault or safe, or other secured storage structure which is bolted to the floor or structure of the Premises.
- F. Windows and roof hatches of the Premises shall be secured from the inside with effective means so as to prevent unauthorized entry, and shall be equipped with latches or a similar mechanism that may be released quickly from the inside to allow exit in the event of emergency in compliance with all applicable building provisions in the Code.
- G. Exterior doors to the Premises shall remain locked from the outside to prevent unauthorized ingress to the Premises. Ingress shall be allowed by means of a remote release operated from within the Premises of the Collective. In all cases, doors shall remain openable from the inside to allow egress without the use of a key or special knowledge. Access-controlled egress doors shall comply with Section 1008.1.3.4 of the California Building Code.
- H. No person shall be in possession of any firearm while on the Premises or Location without having first obtained a license from the appropriate state or local agency authorizing the person to be in possession of such firearm.
- I. Persons in possession of a firearm while on the Premises or Location must provide the City Manager and the Chief of Police, ten (10) days before bringing the firearm onto the Premises, with the following:
 - 1. A copy of the license issued to the person by the appropriate state or local agency authorizing him or her to possess such firearm;

2. A copy of his or her law enforcement identification (if he or she is employed by a law enforcement agency); and
 3. A copy of his or her California Driver's license or California Identification Card.
- J. There shall be a minimum of one (1) Security Personnel on duty twenty-four (24) hours a day, seven (7) days a week at the Collective's Cultivation Site . If the Collective has a separate site for dispensing only, there shall also be a minimum of one Security Personnel at that Location during its hours of operation. The Security Personnel shall provide security inside the Premises, along the outside perimeter of the Premises, at parking sites immediately adjacent to the Premises and used by members of the Collective, and at sidewalks adjacent to the Collective's Location. The Collective shall employ Security Personnel subject to the following requirements:
1. All Security Personnel shall register and maintain valid registration status with the state of California's Department of Consumer Affairs. At no time shall any Security Personnel register with the State at any level that is less than that of a proprietary private security officer. Proof of application and registration for all Security Personnel shall be maintained by the Collective and shall consist of copies of all relevant documentation including: application forms, receipts for application fees and live scan fees, and actual proof of registration.
 2. While on duty, all Security Personnel shall have a nameplate containing the Security Personnel's full name and the word "SECURITY" printed in bold, capital letters. The nameplate shall be

exhibited prominently on the clothing, at chest level, and shall be visible and easily read at all times. The nameplate shall be a minimum of two inches high and four inches wide, with the required information printed in capital letters, at least three-fourths inches high and in a contrasting color. As an alternative to a nameplate, the Security Personnel's name and the word "SECURITY" may be embroidered on the Security Personnel's outermost garment with the required information meeting the above specifications and located at chest level.

SECTION 8. Section 6.88.500 of Chapter 6.88 of Title 6 of the San José Municipal Code is amended to read as follows:

6.88.500 Maintenance of Records

- A. Each Collective shall maintain all records and documents required by Parts 3 and 4 of this Chapter and all the information and records listed below:
 - 1. The name, address, and telephone number(s) of the Owner, landlord and/or lessee of the location;
 - 2. The following information concerning each member of the Collective:
 - a. Name and a confidential member number unique to that individual which is used solely for the log identified in Section 7 below;
 - b. A copy of a valid government issued photo Identification Card or license;

- c. A copy of the member's Identification Card or the Physician's Recommendation for the member;
 - d. The date the member joined the Collective; and
 - e. The nature of the member's participation in the collective cultivation of Medical Marijuana;
- 3. The name and telephone number of each Primary Caregiver member, along with a copy of every written designation for every Qualified Patient that designated the member as his or her Primary Caregiver;
- 4. The name, business address and telephone number of each Attending Physician who provided a Physician's Recommendation for any member of the Collective;
- 5. The records of all Qualified Patients with a valid Identification Card and Primary Caregivers with a valid Identification Card may be maintained by the Collective using only the Identification Card number issued by the State pursuant to California Health and Safety Code Section 11362.7 *et seq.*, in lieu of the information required by Subsections 6.88.500 A(2)(a) through (c), 6.88.500A(3), and 6.88.500A(4);
- 6. Up-to-date information for all savings accounts, checking accounts, investment accounts and trusts associated with the operation of the Collective;
- 7. All receipts of the Collective, including but not limited to all contributions and all expenditures incurred by the Collective for the cultivation of Medical Marijuana;

8. An up-to-date log documenting each transfer of Medical Marijuana reflecting the amount provided, the form or product category in which the Medical Marijuana was provided, the date provided, the time provided and the member number to whom it was provided;
 9. An up-to-date log documenting the date, time, nature, and response by the Collective to all complaints received by the Collective pursuant to Subsection 6.88.440K of this Chapter;
 10. A copy of the annual audit reports required pursuant to Section 6.88.600 of this Chapter; and
 11. Proof of completed registration with the City Manager in conformance with this Chapter.
- B. All records required by this Section shall be maintained by the Collective for a period of five (5) years and shall be made available by the Collective to the City Manager and any City official charged with enforcing the provisions of this Code, in accordance with Sections 6.88.330B and 6.88.700 of this Chapter.
- C. At the request of the City Manager, all records required by this Section shall be made available in standard electronic format which shall be compatible with Microsoft Office programs and which can easily be imported into either Excel, Access, or any other contemporary software program designated by the City Manager.
- D. In addition to all other formats that the Collective may maintain, all records required by this Section shall be stored by the Collective at the Location in a printed format in a fire-proof safe or in an unalterable electronic format with a

documented system for regular information backup that is satisfactory to the City Manager.

SECTION 9. Section 6.88.600 of Chapter 6.88 of Title 6 of the San José Municipal Code is amended to read as follows:

6.88.600 Audits

No later than April 15th of every year, each Collective shall file with the City Manager an audit of its financial operations for the previous calendar year, completed and certified by an independent certified public accountant in accordance with generally accepted auditing and accounting principles. The audit shall include but not be limited to a discussion, analysis, and verification of each of the records required to be maintained pursuant to Parts 3, 4 and 5 of this Chapter. The information contained in the audit shall be made available in standard electronic format which shall be compatible with Microsoft Office programs and which can easily be imported into either Excel, Access, or any other contemporary software program designated by the City Manager.

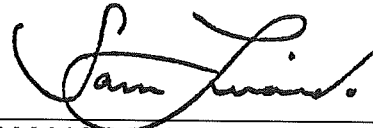
PASSED FOR PUBLICATION of title this 19th day of May, 2015, by the following vote:

AYES: CARRASCO, HERRERA, JONES, KALRA, KHAMIS,
MATTHEWS, NGUYEN, OLIVERIO, PERALEZ, ROCHA;
LICCARDO.

NOES: NONE.

ABSENT: NONE.

DISQUALIFIED: NONE.



SAM LICCARDO
Mayor

ATTEST:



TONI J. TABER, CMC
City Clerk